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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of Information

AND-22-41

April 11, 1941

Part I - ~~STRICTLY CONFIDENTIAL~~

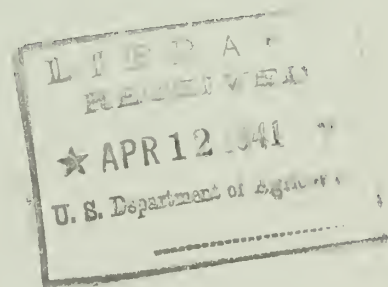
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AGRICULTURE AND NATIONAL DEFENSE

SUMMARY OF FOREIGN DEVELOPMENTS: DENMARK: A Norwegian-Danish agreement signed in Stockholm provides for Norwegian exports to Denmark up to a total value of 59 million Danish crowns (\$11,800,000) during the period January 1 to August 31, 1941. The Norwegian exports are to consist mainly of synthetic fertilizers, pulp paper, and aluminum. Danish exports to Norway are to amount in value to 43 million crowns (\$8,600,000) including mainly machinery, seeds and foodstuffs.

The March 8 pig census shows a reduction of 95,000 hogs during the six weeks ending that date. Total hog numbers on that date were 1,870,000. The number of young sows showed a considerable increase, but there was a decline of 7,000 in the number of pregnant sows.

AUSTRALIA: The Ministry of Supply in London announced that the Central Wool Committee in Australia had been authorized to release a further 100,000 bales of 58-60's and finer wools for United States commercial requirements. The total release for United States commercial sales now amount to 650,000 bales of finer wools plus 50,000 bales of crossbred types.



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Part II - FOR ADMINISTRATIVE USE

AGRICULTURE AND NATIONAL DEFENSE

PAST WEEK HAS BEEN ONE OF GREAT ACTIVITY IN DEPARTMENT, planning and clarifying food supply and purchase program. Several committees are still meeting and more plans, changes, additions, etc., will be announced as they develop.

SURPLUS MARKETING ADMINISTRATION WILL START POSTING amounts of each completed purchase on Monday, April 14. A summary of the purchases made during the last half of March already has been released. Another summary of purchases covering the period from April 1 to April 12 will be released Monday. Besides posting each completed purchase, SNA will make a weekly summary report of all purchases.

THESE PURCHASES WILL INCLUDE FOODS for domestic distribution to public aid families and for free school lunches, to meet requests of the Red Cross for shipment to war refugee areas, for transfer to the British or other countries under the provisions of the Lend-Lease Act, and for release upon the markets when desirable. The Department will make no breakdown of the purchase totals in regard to possible use. No reports will be made of transfers under the terms of the Lend-Lease Act.

AAA ANNOUNCES SOME CHANGES IN REGARD TO THE CORN PROGRAM described in last week's letter. (In this connection when policy-in-the-making is reported some changes are sure to come. For that reason this letter should never be used for any other purpose than for your information. As in the past, AAA and other Administrative agencies will forward official instructions.)

DIRECTOR SCHOOLER OF THE NORTH CENTRAL DIVISION CLARIFIED AAA'S position on the corn program in a letter to committeemen in which he emphasized that the farmer who does not need additional corn for feeding operations on his farm, or who is able to purchase corn locally, should not increase his plantings. The "usual" acreage was redefined to be equal to 140 percent of the corn allotment on farms where the corn allotment exceeds 7 1/2 acres. Different plans have been worked out for farms where allotments exceed 10 acres and for farms where allotments are under 10 acres.

A FARM HAVING AN ESTABLISHED CORN ACREAGE ALLOTMENT of 10 acres or more will remain an allotment farm even though the farmer exceeds his allotment and loses his parity payment and loan privileges. If the acreage is greater than the allotment, but does not exceed the "usual" acreage, deductions for exceeding the corn allotment will be made at the regular rate but not to exceed the corn payment. This means that the farmer loses his entire corn allotment payment when he exceeds his allotment by 18 percent, although he can overplant his corn allotment by as much as 40 percent without loss of any other payments earned on the farm. If the farmer exceeds his "usual" acreage, deductions from other payments on the farm will be made at the corn rate for each acre in excess of the usual.

WHERE THE FARM HAS A CORN ALLOTMENT OF LESS THAN 10 ACRES it automatically becomes a non-corn-allotment farm when the corn allotment is exceeded and payments on the corn allotment will be made at the general rate. The farmer also loses his parity payment and is not eligible for corn loans. No deductions will be made from any other payments earned on the farm unless he exceeds 10 acres or his "usual" acreage, whichever is larger. If he does exceed the 10 acres, or his "usual" acreage, whichever is higher, deductions will be made at the corn rate for each excess acreage.

THE TOTAL SOIL-DEPLETING ALLOTMENT FOR EACH FARM WILL REMAIN UNCHANGED and the provisions for payments and reductions for total soil-depleting allotments will remain the same as previously provided. If by planting the usual corn acreage, the total soil-depleting acreage on the farm exceeds the total soil-depleting allotment by more than 18 percent of the corn allotment, deductions will be made for excess general crops.

AMERICAN EXPERTS BACK FROM CUBAN STUDY TRIP: The five American agricultural experts who went to Havana last winter at the invitation of the Cuban government to study Cuban farming conditions have returned. They are meeting this week in the Office of Foreign Agricultural Relations to work out a report they are to submit to the Cuban government through the U. S. Department of State. The men are: Garibaldi Laguardia, of the AAA; W. T. Shaddick, Assistant State Director of FSA in Florida; H. F. Blaney of SCS; Paul G. Minneman, OFAR; and Wilson Popenoe, tropical collaborator of OFAR.

SUMMARY OF FOREIGN DEVELOPMENTS: ARGENTINA: The Grain Board was authorized on April 3 to purchase new crop corn at a price equivalent to 4.75 pesos per 100 kilograms (35.9 cents per bushel) for shelled corn, export quality, delivered at Buenos Aires. The purchase is restricted to farm-stored ear corn. The initial payment on such corn will amount to 80 percent of the price. The purchase, it is estimated, will involve the expenditure of not less than 150 million pesos (\$45,000,000).

Unsold exportable stocks of wool are now estimated at 88 million pounds. Large quantities are awaiting space for export, mainly to the United States. A movement is on foot to sell only on a f.o.b. basis due to the remeasurement of bales in Boston and to the unwillingness of American importers to assume the advances which may occur in freight rates.

URUGUAY: Stocks of super wools are now exhausted. From 6,000 to 8,000 bales of low-grade wool remain for sale. Exports to date this season total 91,000 bales, of which 79,000 bales went to the United States. An additional 5,000 bales, already sold, are awaiting shipping space.

GERMANY: Rations of principal foodstuffs for the period May 5, 1941 to June 1, 1941 show practically no change when compared with the preceding ration period. Jam or sugar ration cards, introduced by Decree of December 6, 1940, will become invalid on May 4, 1941. A new jam or sugar ration card will be introduced for the 23d, 24th, 25th, and 26th ration periods beginning May 5 and ending August 24, 1941. This card will entitle individual consumers to purchase 450 grams of sugar per week instead of 700 grams of jam during each rationing period. Regardless of the period of validity of the individual coupons consumers may purchase sugar with their ration card at any time during the period May 5 to August 24, 1941.



SWEDEN: Effective April 1 a general embargo was placed on exports of all commodities except under license. Owing to reduced imports, all coal stocks over 100 tons were expropriated by the Government on April 1. All hides, skins, and furs were also expropriated. Rationing for all meat products was introduced on April 1. Each person may obtain 500 grams of meat per week. The trade in linseed oil was placed under Government control.

A new trade agreement was concluded with Finland. The agreement is to run for eight months ending October 31, 1941. It provides for Swedish exports to Finland amounting in value to 42,500,000 Swedish crowns (\$10,100,000) including mainly iron and steel, hardware, and industrial and electrical machinery. Swedish imports from Finland amounting to 23,000,000 crowns (\$5,500,000) are provided for, to consist mainly of lumber, firewood, and charcoal. Sweden also undertakes to ship Finland 5,000 tons of wheat flour, 600 tons of butter, 1,400 tons of bacon, 2,000 tons of seed oats, and 250 thousand buds of fruit trees for inoculation. In addition, Sweden will loan Finland 20,000 tons of bread grain which amount is to be returned in November 1941. The quantities of butter and bacon promised to Finland exactly equal the amounts imported by Sweden from Denmark.

UNITED KINGDOM: The Ministry of Supply announced that under new cotton industry control orders, raw cotton stocks already in the United Kingdom, other than those belonging to consumers, and all raw cotton which arrives in the United Kingdom on or after April 1, whether belonging to consumers or not, will be requisitioned by the Government. Cotton waste and linters, however, are not affected. Pending the formation of a company which is to undertake the purchase and distribution of cotton on behalf of the Cotton Controller, the Liverpool and Manchester Cotton Associations have agreed to assist the Controller by arranging for their members to release cotton to spinners in accordance with the Controller's instructions. For the present all cotton prices will be maintained at the level of official maximum prices for March 31.

CHINA: The Shanghai Municipal Council announced the outlines of a plan to ease the rice situation in that city. Under the plan an attempt will be made (1) to charter ships sufficient to bring 15,000 to 20,000 tons of rice from Rangoon monthly; (2) to make these ships available to rice importers who shall undertake to utilize space to import only the cheaper grades of rice; (3) to assure that the contract of importers with dealers shall contain a clause providing that the rice will be sold only in Shanghai and only to retail shops which are members of the Shanghai Rice Retail Shops Association; and (4) to invoke the aid of the association in devising methods to assure that supplies imported by chartered ships shall be sold only on a retail basis. The Council points out that if a regular and adequate supply of rice can be made available, there should be no necessity for fixed or controlled prices, and the ordinary processes of trade should for the time being be trusted to establish fair levels.

The National Government at Chungking is giving consideration to recommendations of the recent session of the Kuomintang. Among the recommendations are the following: (1) a national monopoly for the distribution of sugar and salt; (2) enforcement of a controlled economy by mobilizing the nation's financial and human resources; (3) greater control over tung oil; (4) registration of all farm lands with a view to land reform, giving ownership of land to those who till it; (5) establishment of an irrigation administration to increase foodstuff production; (6) the establishment of special labor organizations; and (7) improvement in communication facilities.

